OFFICE OF THE ASSISTANT SECRETARY

28 FEB 1997

MEMORANDUM FOR ALMAJCOM FOA DRU (CONTRACTING)
HQ AFMC/PKS

FROM: SAF/AQC
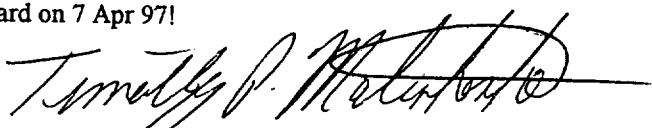1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: AF Contracting Information Systems Requirements Process

Our requirements process (Atch 1) requires our immediate energy. From your comments we are comfortable that we have a good concept. However, your verbal and written comments, and our subsequent review of the process language indicated we needed more detail. The requirements process document now contains that detail. However, we also realize that once we begin to implement the process we may need further adjustments to the details and the language.

I will chair our "kick-off" Board and then transition the chair responsibilities. In preparation, I need you to submit at least five statements of prioritized strategic objectives for each of the following areas to SAF/AQCI NLT noon, 21 Mar 97: Business Process & Electronic Commerce, Information Systems Modernization, and Integration of Policy, Processes, Training, and Information Technology. Please state your objectives in terms of "WHAT" we need to accomplish by the end of FY 97, and through 2nd Qtr FY 98. To assist with the objectives' development, we have provided a draft set of issues (Atch 2). We will consolidate the objectives and then communicate these to you as part of a "read-ahead" package for the Strategy Board.

Our first Functional Requirements Board (FRB) will then take place in Washington DC, 8-11 Apr 97. Submit your FRB representative NLT 7 Mar. My designated FRB chair will contact the entire FRB during the week of 10 Mar.

I look forward to our first Strategy Board on 7 Apr 97!

TIMOTHY P. MALISHENKO, Brig Gen, USAF
Deputy Assistant Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachments:
1. Requirements Process
2. AF Contracting Strategy Draft Issues

cc:
Col (S) Gilmore

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Requirements Process
For
Air Force Contracting Information Systems

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Introduction

The Air Force (AF) contracting information systems requirements process refers to the use of computer and communications technologies and products to enable an automated contracting business process. An example of an automated contracting business process could be the creation and posting of a sources sought synopsis.

Particularly since 1993, there are numerous factors influencing and complicating the functional requirements process for AF contracting information systems. The functional requirements consequent to acquisition reform changes and the resultant unplanned changes to AF contracting information systems changes have increased at a never before experienced pace and volume. The AF is committed to supporting increasing numbers of unplanned external DoD procurement and finance functional requirements through changes to AF contracting information systems. The AF contracting information technology and EC strategies are being finalized and are resulting in new functional requirements and changes to AF contracting information systems to take advantage of the business process improvement opportunities afforded through emerging commercial information technologies (e.g., the Internet). These factors, coupled with obtaining the technical resources to affect the necessary contracting information systems changes have made it increasingly difficult to maintain the currency of these systems and accurately incorporate statutory and regulatory changes in a timely manner to ensure that AF contract actions implement law and procurement regulations.

Thus, there is an immediate need for a refined functional requirements process for AF contracting information systems. This process ensures that timely and accurate changes consequent to legislative and regulatory changes remains the top priority. This process must also ensure a closer integration among automated contracting business processes and the AF contracting EC and information technology strategies. Finally, the process must ensure the continuous, proper balance among competing DoD and civilian agency external factors; the reengineering of AF contracting business processes as information technology presents more and new opportunities; the transition of the AF contracting information systems to the Standard Procurement System (SPS) and the Global Combat Support System-AF (GCSS-AF); and limited resources.

<div align="right">

Atch 1

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Executive Summary

The foundation for the functional requirements process is agreement among the Major Command (MAJCOM) and Directing Reporting Unit (DRU) contracting leaders and with the Deputy Assistant Secretary (Contracting), SAF/AQC, on the six and twelve month strategic prioritized objectives. These objectives must enable the reengineering of AF contracting business processes through EC and information technology, and fully prepare AF contracting information systems to transition to an SPS and GCSS-AF environment.

The statements of strategic objectives are then decomposed into written prioritized functional requirements by a requirements board. This definition and derivation of functional requirements from strategic objectives allows the "user community" the up-front opportunity to describe "WHAT" contracting automated business process capabilities are required to fulfill the objectives; this is also the opportunity for the MAJCOMs and DRUs to define any management and workflow philosophies associated with the business process. An example of this concept could be the definition of the degree of contracting authority an AF buyer will retain throughout an automated business process resulting in a purchase order. A critical aspect of the functional requirements process is that the AF MAJCOM and DRU representatives must remain focused on describing "WHAT" functionality or capability is required, and not describing solutions. The written, prioritized functional requirements are then communicated to the SPD for all AF contracting information systems.

The SPD, with the assigned functional and technical support, is then responsible for developing the alternative solutions, the "HOW", that best fulfills the requirement within agreed to cost, schedule, and performance parameters. The SPD presents the requirements board members with these "HOWs" as part of an SPD determined configuration control process. Once a solution is agreed to, the SPD has the responsibility to determine the best method to keep the "user community" continuously involved with the solution through development and testing. This iterative involvement with the "user community" is critical to ensuring the required automated business process capabilities and any defined management and workflow philosophies are provided.

This requirements concept is equally critical to improving the integration of the buyer, contracting officer, and system administrator training and documentation with the delivered automated business process capability. In turn, this will result in two core deliveries approximately in Oct-Nov and Apr-May of each year, that link strategy, functional requirements, automated business processes, training, and any manpower impacts. Further, the concept provides the flexibility to address, on a real-time basis, legislative and regulatory changes, field-reported failures, and MAJCOM-sponsored improvements.

The Requirements Process

The requirements process is implemented through three organizational structures: the AF Contracting Strategy Board, the Functional Review Board, and the System Program Directorate (SPD). The details of each of these structures follows.

AF Contracting Strategy Board

The AF Contracting Strategy Board, herein referred to as the Strategy Board, is responsible for developing written, prioritized business process, EC, and information technology statements of objectives. These strategic objectives must support three tenets: (1) the timely integration of procurement policy changes into AF contracting information systems; (2) AF contracting business process reengineering through the use of EC and commercial information technologies; and, (3) the optimal use of contracting automated business processes and EC capabilities across the entire acquisition cycle; i.e., from receipt of the requirement through contract action close-out. The Strategy Board presents the list of prioritized objectives to the Deputy Assistant Secretary (Contracting), SAF/AQC, for approval.

The Strategy Board is comprised of the Chiefs of the Contracting Divisions from seven operational MAJCOMS (ACC, AFSOC, AETC, AMC, AFSPC, USAFE, PACAF), a representative for the AF Materiel Command Directorate for Contracting, and the Contracting Chiefs of two Direct Reporting Units (11 CONS, 10 CONS). These 10 permanent Strategy Board members are the voting members, when voting becomes necessary.

The Strategy Board is chaired by a SAF/AQC Division Chief selected by SAF/AQC. The chair is a non-voting member. The Strategy Board non-voting advisors are the Chief, Operational Contracting Division (SAF/AQCO) and Chief, Contract Policy Division (SAF/AQCP). These advisors are needed to integrate procurement policy with business processes, EC, and information technology; and, because AF-wide contracting policy is presently a shared responsibility between these two Divisions. The permanent advisor to the Strategy Board is the System Program Director for all AF contracting information systems. The Strategy Board executive secretary is selected by SAF/AQC and also serves as the chair for the Functional Requirements Board. This dual role structure of the executive secretary ensures consistency between understanding the intent of the Strategy Board's prioritized statements of objectives, and the translation of these objectives into functional requirements.

The Strategy Board will meet in conjunction with scheduled AF World-Wide contracting conferences; at the present time, these conferences occur in October and April. In the event these conferences do not continue to occur approximately every six months, adjustments to the Strategy Board meetings will be made to ensure that a meeting occurs following the fiscal year authorization legislation, and a meeting occurs not later than 60 calendar days after the President's Budget submission to Congress. This meeting schedule will ensure the Strategy Board is in the most informed position to understand legislative changes affording the best opportunities for business process and EC improvements. The Strategy Board will also be aware of any budget limitations.

During the time between face-to-face meetings, the Strategy Board chair will determine the most effective means to communicate with all members and advisors at least bi-monthly.

The Strategy Board meetings will be decision meetings. To iterate, the purpose of the Strategy Board meetings is to agree on written prioritized strategic objectives for the following six and twelve months. The agreement on objectives will ideally be through consensus. The Strategy Board chair will determine whether or not consensus is possible, and when not possible, will ask each of the 10 voting members to vote. In the event of a tie vote, the Strategy Board chair will designate a spokesperson for differing views; these views will then be presented verbally to SAF/AQC for final decision.

The Strategy Board executive secretary will prepare a written record of the prioritized statement of objectives for action by the Functional Requirements Board.

The Functional Requirements Board

The Functional Requirements Board, herein referred to as the FRB, is responsible for accepting the Strategy Board's written prioritized statements of objectives and defining and deriving written functional requirements in 6 and 12 month increments. These functional requirements shall be stated in terms of WHAT automated business process capabilities are required and shall be written as quantifiable characteristics and tasks (exit criteria).

The FRB is comprised of a single representative from each of the ten organizations that have permanent voting members on the Strategy Board. The FRB membership is at a grade level not above Lt Col or GM/GS-14. The 10 FRB members are the voting members when voting becomes necessary. Each FRB member shall be identified in writing and shall be available to serve on the FRB for at least two consecutive six month time periods.

The FRB is chaired by an individual designated by SAF/AQC. To restate an earlier concept, the FRB chair will be the executive secretary to the Strategy Board. The initial non-voting advisors to the FRB will be representatives from the SPD office and the SAF/AQC divisions responsible for information technology and AF contracting policy.

The representative from the SPD office shall present the FRB with estimated cost, schedule, and technical impacts during the functional requirements development and prioritization process. This up-front involvement of the SPD's representative should minimize any prioritization adjustments once the SPD receives the written functional requirements from the FRB chair.

If one or both SAF/AQC responsibilities are inherent with the designated FRB chair, there will be no duplication through a separate FRB advisor. The advisor from the SAF/AQC division responsible for information technology will be responsible for informing the FRB on any SPS or GCSS-AF functional and infrastructure requirements that have to be considered vis-à-vis AF contracting information systems requirements. The FRB will evaluate whether or not separate advisors from the SPS program office and the Headquarters AF office for infrastructure need to become permanent advisors.

The FRB may rely on integrated teams to support the requirements process and associated areas needing immediate integration with the requirements process (e.g., training, information technology infrastructure, and preparation for SPS and GCSS-AF transitions). The requests for integrated team members will be to the FRB members' and advisors' parent organizations. The integrated team members will be responsible for funding any required travel and TDY expense. However, "virtual" communications will be used to the maximum extent possible.

The FRB will meet immediately following the Strategy Board meeting and at the same geographic location. Since the Strategy Board meetings are initially linked to World-wide conferences, the FRB chair will coordinate FRB meetings once the World-wide dates have been finalized. The FRB members are responsible for their own travel and TDY expense. The FRB chair will determine if more frequent face-to-face meetings are necessary after considering workload and the effectiveness of virtual meetings.

The FRB meetings will produce prioritized functional requirements that directly trace to the Strategy Board's prioritized statements of objectives. Ideally, the prioritized list of functional requirements will be achieved through consensus. If the FRB chair determines consensus is not possible, a vote among the 10 voting members will occur. In the event of a tie vote, the FRB chair will summarize the differing views on competing priorities and present the views to SAF/AQC for a final decision. The FRB chair shall communicate the written functional requirements to the SPD not later than two duty days after the FRB adjourns.

The System Program Directorate

The System Program Directorate for all AF contracting information systems, herein referred to as the SPD, will execute the prioritized functional requirements defined by the FRB. The SPD will have complete cost, schedule, and technical performance responsibility and is accountable for ensuring the delivered capability fulfills the written functional requirements, and embodies the management and workflow philosophies desired by the MAJCOMs and DRUs.

Within the SPD, the System Program Director shall act as the permanent advisor to the Strategy Board. The System Program Director shall update the Strategy Board at each Strategic Board meeting on the accomplishments over the past six months and provide an integrated plan for the next six months. The SPD shall designate a representative to act as the advisor to the FRB.

To restate (see FRB language), the SPD's representative to the FRB shall present the FRB with estimated cost, schedule, and technical impacts during the functional requirements development and prioritization process. This early involvement of the SPD's representative should minimize any prioritization adjustments once the SPD receives the written prioritized functional requirements from the FRB chair.

After receiving the functional requirements from the FRB chair, the SPD shall conduct a virtual configuration control board (CCB) with the FRB, not later than 30 duty days following receipt of the requirements. The SPD will present any alternative solutions and associated costs and schedules to the FRB. The result of the CCB will be final agreement on the prioritized automated business process capabilities to be delivered; final

agreement on any management or workflow philosophies that shall be embodied in the delivered capabilities; and final agreement on the method and schedule for keeping the FRB members, the FRB chair, and the Beta test site managers involved with progress toward fulfilling the functional requirements.

The World-wide Release Process

The SPD, at the completion of the Beta test process, shall recommend to the FRB chair in writing that the agreed to capabilities are available for world-wide distribution. The SPD's notification shall occur not later than ten duty days following Beta test completion and disposition of all discrepancies. The notification will include certification by each Beta test site manager that all functional requirements have been satisfied and that all associated training and documentation is available for world-wide release. If there are any Beta test discrepancies that have not been resolved because such discrepancies address management or workflow philosophies, the SPD shall forward such discrepancies to the FRB chair for resolution.

The FRB chair, representing the MAJCOMs, DRUs, and SAF/AQC will disposition the SPD's recommendations within two duty days, unless there is an unresolved discrepancy. If there is an unresolved discrepancy, the FRB chair will seek resolution first with the cognizant FRB member; second through a vote of the FRB; and third by SAF/AQC decision. This resolution process shall be completed within five duty days.

The Out-of-Cycle Requirement Processes

An out-of-cycle functional requirement is a requirement that occurs outside of the scheduled Strategy Board and FRB meetings. The functional requirement can be as a result of:

1. A legislative or regulatory policy change with an implementation date prior to the next scheduled Strategy Board and FRB;

2. A field reported contracting information system failure that requires an immediate contracting information system correction, in order to avert manual intervention to accomplish a previously automated business process; or,

3. A field recommendation for a contracting information system enhancement or automated business process improvement.

In the event of an out-of-cycle functional requirement the following processes apply:

Legislative or Regulatory Change

The SAF/AQC Policy Division Chief is responsible for notifying the Strategy Board chair of legislative or regulatory change. The Strategy Board chair will, in turn, notify the Strategy Board members, the FRB chair, and the SPD concurrently. The FRB chair will notify all FRB members and advisors. This early involvement of the requirements process organizations with evolving policy is intended to ensure the earliest integration of policy and the effects on automated business processes, training, and the workforce.

The FRB chair, with ad-hoc assistance from FRB members, will develop a DRAFT written functional requirement. The SPD, concurrently with the FRB chair's drafting of a functional requirement, will develop alternative solutions. The DRAFT requirement and any proposed solution will be posted virtually within 30 duty days after receiving notification from the Strategy Board chair. The DRAFT written functional requirement shall be stated in terms of WHAT capability will be provided in order to implement the legislative or regulatory change, and shall be written as quantifiable characteristics or tasks. At a minimum, the proposed solution will address the cost and schedule (if different than the legislative or regulatory prescribed implementation date), and any impact on the prioritized functional requirements already being implemented.

The Strategy Board and FRB members shall be responsible for identifying any exceptions to the DRAFT functional requirement, especially any management or workflow philosophies, and the proposed solution to the Strategy Board and FRB chairs within three duty days after the requirement and solution are posted.

If there are no exceptions by any of the Strategy Board or FRB members, the SPD shall immediately implement the solution, once the SAF/AQC Policy Chief notifies the Strategy Board Chair, who, in turn, notifies the FRB chair, and the SPD concurrently that the policy associated with the legislative or regulatory change is finalized.

If there are exceptions to the DRAFT functional requirement or the proposed solution's management or workflow philosophies, the FRB member taking the exception and the FRB chair will attempt to resolve the exception. If resolution is not possible, the Strategy Board chair, and the Strategy Board member associated with the exception will attempt to reach a resolution. If resolution is not possible, the Strategy Board chair will seek a final decision from SAF/AQC. The entire process for resolving exceptions shall be completed within 24 hours from the time an exception is identified.

If the legislative or regulatory changes cannot be implemented within the prescribed time, the SAF/AQC Policy Chief will notify SAF/AQC and ALMAJCOM and DRU Policy Chiefs of the estimated implementation date. This is intended to allow the SAF/AQC Policy Division Chief to develop implementation strategies and alternatives if the legislative or regulation changes cannot be implemented within the prescribed time.

Field Reported Failure

Any field reported failure shall be communicated to the SPD and the SSG Field Assistance Branch (FAB). Individual MAJCOMs and DRUs may require reporting through the headquarters prior to reporting to the SPD and FAB.

Upon receipt of a field reported failure, the SPD and the FRB chair will validate the failure as a bona-fide failure. This coordination between the SPD and the FRB chair is intended to ensure that policy questions are differentiated from automation failures. If the failure is validated, the SPD will notify ALMAJCOM and DRU headquarters points of contact of the failure and the site operating conditions within which the failure occurred. The validation of the failure and the notification shall be accomplished within the established FAB time periods associated with the precedent rating of the failure, following receipt of the reported failure. If the failure is not validated as a bona-fide failure, the SPD

shall notify the originating site and discuss site specific operating conditions in accordance with the FAB's time periods for notification.

For a bona-fide failure, the FRB chair with ad-hoc assistance from FRB members will develop a DRAFT written functional requirement. The SPD, concurrently with the FRB chair's drafting of a functional requirement, will develop alternative solutions. The DRAFT requirement and any solutions shall be posted virtually within the established FAB time periods associated with the precedent rating of the failure, and the Strategy Board and FRB members and advisors shall be notified. The requirement shall be stated in terms of WHAT capability will be provided in order to correct the reported failure, and shall be written as quantifiable characteristics or tasks. At a minimum, any proposed solution will address the cost and schedule for implementing a correction to the impacted contracting information system; any recommended manual alternatives awaiting the solution's implementation; and the impacts on any prioritized functional requirements already being implemented.

The FRB members shall either review the DRAFT functional requirement and proposed solution within 24 hours of receiving notification from the SPD.

If there are no exceptions to the DRAFT functional requirement or the proposed solution, the SPD shall immediately begin to implement the solution.

If there are exceptions to the DRAFT functional requirement or the proposed solution's management or workflow philosophies, then the FRB member taking the exception and the FRB chair will attempt to resolve the exception. If resolution is not possible, the Strategy Board chair and the Strategy Board member associated with the exception will attempt to resolve the exception. If resolution is not possible, the Strategy Board chair will seek a final decision from SAF/AQC. The entire process for resolving exceptions shall be completed within 24 hours from the time an exception is identified.

Field Recommended Improvement:

Any field recommended improvements must be sponsored in writing by a Strategy Board voting member. The sponsorship must address the prioritized statement of objectives the requirement is directly associated with, and the business process improvement afforded through implementation of the requirement. The sponsorship of the requirement must also include a clear written statement of the requirement in terms of quantifiable characteristics or tasks, i.e., the statement must describe WHAT change to an automated business process is deemed necessary, not HOW the change is to be accomplished. The requirement will be forwarded to the Strategy Board and FRB chairs and the SPD concurrently.

The SPD will be responsible for preparing an estimate of the cost, schedule, and proposed solution, and posting (virtually) this information to the Strategy Board and FRB chairs not later than 30 calendar days before the scheduled Strategy Board meeting. The FRB chair as the executive secretary to the Strategy Board will be responsible for presenting the full FRB view on the proposed requirement and solution to the Strategy Board. The Strategy Board will disposition the proposed requirement and solution at the next scheduled meeting.

Document Changes and Version Control:

This requirements process document will be reviewed as part of every Strategy Board meeting. The executive secretary has the responsibility for version control of this document.

Approved:

TIMOTHY P. MALISHENKO, Brig Gen, USAF
Deputy Assistant Secretary (Contracting)
Assistant Secretary (Acquisition)

Date 27 Feb 97

DRAFT ISSUES
FOR
STRATEGY BOARD CONSIDERATION

The following issues are framed in terms of questions. **It is not necessary to answer each question.** The questions are provided to assist your development and prioritization of at least five strategic objectives for each of the following areas.

For a common reference relative to the following questions, please use the following definitions:

AF contracting information systems refers to the combination of computer and communications technologies and products that enable an automated contracting process to be performed.

Electronic Commerce (EC) refers to the exchange of contract action information using either one or a combination of the following: facsimile, credit cards, Electronic Data Interchange (EDI), or the Internet and the World Wide Web (WWW

Business & Electronic Commerce

Our AF contracting business and EC strategy needs to examine the existing ways we obtain goods and services. Our strategy must also examine the ways we will need to obtain goods and services in the context of: "commercial first;" credit card enabled ordering and payment; FACNET (i.e., EDI using the DISA infrastructure); and use of the World Wide Web (WWW) This examination must be in the context of the need to support the AF strategy for outsourcing and privatization, our current and envisioned AF contracting workforce, and the "mix" of goods and services that are, and should be, purchased through an AF contracting activity (i.e., a squadron).

This examination should lead to prioritized objectives , that in turn will lead to decisions regarding where to spend resources. For example, we have 88 interim certified FACNET locations and we all realize that certain automated enhancements could be made in order to make FACNET more usable; is FACNET where we should be focusing our resources?

ACTH 2

Thus, **the following questions are provided to assist** with the development of your prioritized strategic objectives in this area?

       (1) How does FACNET (in the current form) support your existing needs, and your forecasted needs?

       (2) How does our use of the WWW for CBD posting and "Biz Ops" support your existing needs, and your forecasted needs?

       (3) What changes to our contracting information systems are needed in order to make FACNET and the WWW more usable?

       (4) Should we pursue EC malls? EC malls integrate IMPAC through the Internet, with competitively awarded contracts for commodities and services?

       (5) How do EC malls better support our existing and forecasted requirements to acquire goods and services

       (6) To establish and use EC malls, what changes to AF contracting information systems are needed?

       (7) What business and electronic commerce opportunities are not being examined?

Information Systems Modernization

Are the principles of single entry of data at the data source; use of standard data; and sharing of cross-functional data still valid principles? If not, please explain why these are no longer valid?

Is it necessary to have ownership of the data used by your buyers and contracting officers every day (i.e., your operational data)?

Who should be responsible for the data administration of your operational data and the data base server that this data resides on?

Our initial contracting information technology strategy assumed that the local procurement data base will be the original source for the official contract file from receipt of requirement through contract close-out. Is this still a valid assumption?

What organizational changes are needed (if any) in order to own and administer your operational data as we transition to a client-server, relational data base environment?

Gen Malishenko specifically wants this question answered. From an investment standpoint for FY 98 and 99, how should we prioritize and spend our money? Please rank order the following and provide rationale: desktop computers (clients); servers; local area networks.

Our initial contracting information technology strategy objectives will require a transition to a single AF contract writing system which supports operational, central, weapon systems, and R&D contracting processes. Is this still a valid objective?

Is the principle of standard AF contracting processes still valid for a single contract writing system. A standard process means a standard way of executing a process (e.g., building and issuing a modification, to include necessary reviews and approvals) through an automated system; a standard automated function, on the other hand, means agreement on what part of the contracting process needs to be automated.

If a single AF contract writing system is still a valid objective, what structure is needed to ensure that we have up-front agreement on the workflow and management philosophies inherent in automated business processes that cross all four business areas of contracting?

How important is transitioning to a client-server environment, and away from your legacy environment, as the Standard Procurement System matures?

Are there any other modernization considerations we need to prioritize?

Integration of Policy, Process, Training, and Information Technology

Should we use MAJCOMs to develop policy? If yes, then what changes in our information technology capabilities are needed? If no, please explain.

Are we willing to accept quarterly or semi-annual "Block Releases" of policy changes, that occur when the necessary changes to our information technology capabilities have been made; and, the necessary training has been integrated with the release of policy and changes to our contracting information systems?

Do you have any other issues in this area of integrating policy, business processes, training, and information technologies?